



Sen. James F. Clayborne Jr.

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1 AMENDMENT TO SENATE BILL 455

2 AMENDMENT NO. _____. Amend Senate Bill 455 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Use Tax Act is amended by changing Section
5 3-55 as follows:

6 (35 ILCS 105/3-55) (from Ch. 120, par. 439.3-55)

7 Sec. 3-55. Multistate exemption. To prevent actual or
8 likely multistate taxation, the tax imposed by this Act does
9 not apply to the use of tangible personal property in this
10 State under the following circumstances:

11 (a) The use, in this State, of tangible personal property
12 acquired outside this State by a nonresident individual and
13 brought into this State by the individual for his or her own
14 use while temporarily within this State or while passing
15 through this State.

16 (b) The use, in this State, of tangible personal property

1 by an interstate carrier for hire as rolling stock moving in
2 interstate commerce or by lessors under a lease of one year or
3 longer executed or in effect at the time of purchase of
4 tangible personal property by interstate carriers for-hire for
5 use as rolling stock moving in interstate commerce as long as
6 so used by the interstate carriers for-hire, and equipment
7 operated by a telecommunications provider, licensed as a common
8 carrier by the Federal Communications Commission, which is
9 permanently installed in or affixed to aircraft moving in
10 interstate commerce.

11 (c) The use, in this State, by owners, lessors, or shippers
12 of tangible personal property that is utilized by interstate
13 carriers for hire for use as rolling stock moving in interstate
14 commerce as long as so used by the interstate carriers for
15 hire, and equipment operated by a telecommunications provider,
16 licensed as a common carrier by the Federal Communications
17 Commission, which is permanently installed in or affixed to
18 aircraft moving in interstate commerce.

19 (d) The use, in this State, of tangible personal property
20 that is acquired outside this State and caused to be brought
21 into this State by a person who has already paid a tax in
22 another State in respect to the sale, purchase, or use of that
23 property, to the extent of the amount of the tax properly due
24 and paid in the other State.

25 (e) The temporary storage, in this State, of tangible
26 personal property that is acquired outside this State and that,

1 after being brought into this State and stored here
2 temporarily, is used solely outside this State or is physically
3 attached to or incorporated into other tangible personal
4 property that is used solely outside this State, or is altered
5 by converting, fabricating, manufacturing, printing,
6 processing, or shaping, and, as altered, is used solely outside
7 this State.

8 (f) The temporary storage in this State of building
9 materials and fixtures that are acquired either in this State
10 or outside this State by an Illinois registered combination
11 retailer and construction contractor, and that the purchaser
12 thereafter uses outside this State by incorporating that
13 property into real estate located outside this State.

14 (g) The use or purchase of tangible personal property by a
15 common carrier by rail or motor that receives the physical
16 possession of the property in Illinois, and that transports the
17 property, or shares with another common carrier in the
18 transportation of the property, out of Illinois on a standard
19 uniform bill of lading showing the seller of the property as
20 the shipper or consignor of the property to a destination
21 outside Illinois, for use outside Illinois.

22 (h) Except as provided in subsection (h-1), the use, in
23 this State, of a motor vehicle that was sold in this State to a
24 nonresident, even though the motor vehicle is delivered to the
25 nonresident in this State, if the motor vehicle is not to be
26 titled in this State, and if a drive-away permit is issued to

1 the motor vehicle as provided in Section 3-603 of the Illinois
2 Vehicle Code or if the nonresident purchaser has vehicle
3 registration plates to transfer to the motor vehicle upon
4 returning to his or her home state. The issuance of the
5 drive-away permit or having the out-of-state registration
6 plates to be transferred shall be prima facie evidence that the
7 motor vehicle will not be titled in this State.

8 (h-1) The exemption under subsection (h) does not apply if
9 the state in which the motor vehicle will be titled does not
10 allow a reciprocal exemption for the use in that state of a
11 motor vehicle sold and delivered in that state to an Illinois
12 resident but titled in Illinois. The tax collected under this
13 Act on the sale of a motor vehicle in this State to a resident
14 of another state that does not allow a reciprocal exemption
15 shall be imposed at a rate equal to the state's rate of tax on
16 taxable property in the state in which the purchaser is a
17 resident, except that the tax shall not exceed the tax that
18 would otherwise be imposed under this Act. At the time of the
19 sale, the purchaser shall execute a statement, signed under
20 penalty of perjury, of his or her intent to title the vehicle
21 in the state in which the purchaser is a resident within 30
22 days after the sale and of the fact of the payment to the State
23 of Illinois of tax in an amount equivalent to the state's rate
24 of tax on taxable property in his or her state of residence and
25 shall submit the statement to the appropriate tax collection
26 agency in his or her state of residence. In addition, the

1 retailer must retain a signed copy of the statement in his or
2 her records. Nothing in this subsection shall be construed to
3 require the removal of the vehicle from this state following
4 the filing of an intent to title the vehicle in the purchaser's
5 state of residence if the purchaser titles the vehicle in his
6 or her state of residence within 30 days after the date of
7 sale. The tax collected under this Act in accordance with this
8 subsection (h-1) shall be proportionately distributed as if the
9 tax were collected at the 6.25% general rate imposed under this
10 Act.

11 (h-2) The following exemptions apply with respect to
12 certain aircraft:

13 (1) Beginning on July 1, 2007, no tax is imposed under
14 this Act on the purchase of an aircraft, as defined in
15 Section 3 of the Illinois Aeronautics Act, if all of the
16 following conditions are met:

17 (A) the aircraft leaves this State within 15 days
18 after the later of either the issuance of the final
19 billing for the purchase of the aircraft or the
20 authorized approval for return to service, completion
21 of the maintenance record entry, and completion of the
22 test flight and ground test for inspection, as required
23 by 14 C.F.R. 91.407;

24 (B) the aircraft is not based or registered in this
25 State after the purchase of the aircraft; and

26 (C) the purchaser provides the Department with a

1 signed and dated certification, on a form prescribed by
2 the Department, certifying that the requirements of
3 this item (1) are met. The certificate must also
4 include the name and address of the purchaser, the
5 address of the location where the aircraft is to be
6 titled or registered, the address of the primary
7 physical location of the aircraft, and other
8 information that the Department may reasonably
9 require.

10 (2) Beginning on July 1, 2007, no tax is imposed under
11 this Act on the use of an aircraft, as defined in Section 3
12 of the Illinois Aeronautics Act, that is temporarily
13 located in this State for the purpose of a prepurchase
14 evaluation if all of the following conditions are met:

15 (A) the aircraft is not based or registered in this
16 State after the prepurchase evaluation; and

17 (B) the purchaser provides the Department with a
18 signed and dated certification, on a form prescribed by
19 the Department, certifying that the requirements of
20 this item (2) are met. The certificate must also
21 include the name and address of the purchaser, the
22 address of the location where the aircraft is to be
23 titled or registered, the address of the primary
24 physical location of the aircraft, and other
25 information that the Department may reasonably
26 require.

1 (3) Beginning on July 1, 2007, no tax is imposed under
2 this Act on the use of an aircraft, as defined in Section 3
3 of the Illinois Aeronautics Act, that is temporarily
4 located in this State for the purpose of a post-sale
5 customization if all of the following conditions are met:

6 (A) the aircraft leaves this State within 15 days
7 after the authorized approval for return to service,
8 completion of the maintenance record entry, and
9 completion of the test flight and ground test for
10 inspection, as required by 14 C.F.R. 91.407;

11 (B) the aircraft is not based or registered in this
12 State either before or after the post-sale
13 customization; and

14 (C) the purchaser provides the Department with a
15 signed and dated certification, on a form prescribed by
16 the Department, certifying that the requirements of
17 this item (3) are met. The certificate must also
18 include the name and address of the purchaser, the
19 address of the location where the aircraft is to be
20 titled or registered, the address of the primary
21 physical location of the aircraft, and other
22 information that the Department may reasonably
23 require.

24 If tax becomes due under this subsection (h-2) because of
25 the purchaser's use of the aircraft in this State, the
26 purchaser shall file a return with the Department and pay the

1 tax on the fair market value of the aircraft. This return and
2 payment of the tax must be made no later than 30 days after the
3 aircraft is used in a taxable manner in this State. The tax is
4 based on the fair market value of the aircraft on the date that
5 it is first used in a taxable manner in this State.

6 For purposes of this subsection (h-2):

7 "Based in this State" means hangared, stored, or otherwise
8 used, excluding post-sale customizations as defined in this
9 Section, for 10 or more days in each 12-month period
10 immediately following the date of the sale of the aircraft.

11 "Post-sale customization" means any improvement,
12 maintenance, or repair that is performed on an aircraft
13 following a transfer of ownership of the aircraft.

14 "Prepurchase evaluation" means an examination of an
15 aircraft to provide a potential purchaser with information
16 relevant to the potential purchase.

17 "Registered in this State" means an aircraft registered
18 with the Department of Transportation, Aeronautics Division,
19 or titled or registered with the Federal Aviation
20 Administration to an address located in this State.

21 This subsection (h-2) is exempt from the provisions of
22 Section 3-90.

23 (i) Beginning July 1, 1999, the use, in this State, of fuel
24 acquired outside this State and brought into this State in the
25 fuel supply tanks of locomotives engaged in freight hauling and
26 passenger service for interstate commerce. This subsection is

1 exempt from the provisions of Section 3-90.

2 (j) Beginning on January 1, 2002 and through June 30, 2011,
3 the use of tangible personal property purchased from an
4 Illinois retailer by a taxpayer engaged in centralized
5 purchasing activities in Illinois who will, upon receipt of the
6 property in Illinois, temporarily store the property in
7 Illinois (i) for the purpose of subsequently transporting it
8 outside this State for use or consumption thereafter solely
9 outside this State or (ii) for the purpose of being processed,
10 fabricated, or manufactured into, attached to, or incorporated
11 into other tangible personal property to be transported outside
12 this State and thereafter used or consumed solely outside this
13 State. The Director of Revenue shall, pursuant to rules adopted
14 in accordance with the Illinois Administrative Procedure Act,
15 issue a permit to any taxpayer in good standing with the
16 Department who is eligible for the exemption under this
17 subsection (j). The permit issued under this subsection (j)
18 shall authorize the holder, to the extent and in the manner
19 specified in the rules adopted under this Act, to purchase
20 tangible personal property from a retailer exempt from the
21 taxes imposed by this Act. Taxpayers shall maintain all
22 necessary books and records to substantiate the use and
23 consumption of all such tangible personal property outside of
24 the State of Illinois.

25 (Source: P.A. 93-1068, eff. 1-15-05; 94-1002, eff. 7-3-06.)

1 Section 10. The Retailers' Occupation Tax Act is amended by
2 changing Section 2-5 as follows:

3 (35 ILCS 120/2-5) (from Ch. 120, par. 441-5)

4 Sec. 2-5. Exemptions. Gross receipts from proceeds from the
5 sale of the following tangible personal property are exempt
6 from the tax imposed by this Act:

7 (1) Farm chemicals.

8 (2) Farm machinery and equipment, both new and used,
9 including that manufactured on special order, certified by the
10 purchaser to be used primarily for production agriculture or
11 State or federal agricultural programs, including individual
12 replacement parts for the machinery and equipment, including
13 machinery and equipment purchased for lease, and including
14 implements of husbandry defined in Section 1-130 of the
15 Illinois Vehicle Code, farm machinery and agricultural
16 chemical and fertilizer spreaders, and nurse wagons required to
17 be registered under Section 3-809 of the Illinois Vehicle Code,
18 but excluding other motor vehicles required to be registered
19 under the Illinois Vehicle Code. Horticultural polyhouses or
20 hoop houses used for propagating, growing, or overwintering
21 plants shall be considered farm machinery and equipment under
22 this item (2). Agricultural chemical tender tanks and dry boxes
23 shall include units sold separately from a motor vehicle
24 required to be licensed and units sold mounted on a motor
25 vehicle required to be licensed, if the selling price of the

1 tender is separately stated.

2 Farm machinery and equipment shall include precision
3 farming equipment that is installed or purchased to be
4 installed on farm machinery and equipment including, but not
5 limited to, tractors, harvesters, sprayers, planters, seeders,
6 or spreaders. Precision farming equipment includes, but is not
7 limited to, soil testing sensors, computers, monitors,
8 software, global positioning and mapping systems, and other
9 such equipment.

10 Farm machinery and equipment also includes computers,
11 sensors, software, and related equipment used primarily in the
12 computer-assisted operation of production agriculture
13 facilities, equipment, and activities such as, but not limited
14 to, the collection, monitoring, and correlation of animal and
15 crop data for the purpose of formulating animal diets and
16 agricultural chemicals. This item (7) is exempt from the
17 provisions of Section 2-70.

18 (3) Until July 1, 2003, distillation machinery and
19 equipment, sold as a unit or kit, assembled or installed by the
20 retailer, certified by the user to be used only for the
21 production of ethyl alcohol that will be used for consumption
22 as motor fuel or as a component of motor fuel for the personal
23 use of the user, and not subject to sale or resale.

24 (4) Until July 1, 2003 and beginning again September 1,
25 2004, graphic arts machinery and equipment, including repair
26 and replacement parts, both new and used, and including that

1 manufactured on special order or purchased for lease, certified
2 by the purchaser to be used primarily for graphic arts
3 production. Equipment includes chemicals or chemicals acting
4 as catalysts but only if the chemicals or chemicals acting as
5 catalysts effect a direct and immediate change upon a graphic
6 arts product.

7 (5) A motor vehicle of the first division, a motor vehicle
8 of the second division that is a self-contained motor vehicle
9 designed or permanently converted to provide living quarters
10 for recreational, camping, or travel use, with direct walk
11 through access to the living quarters from the driver's seat,
12 or a motor vehicle of the second division that is of the van
13 configuration designed for the transportation of not less than
14 7 nor more than 16 passengers, as defined in Section 1-146 of
15 the Illinois Vehicle Code, that is used for automobile renting,
16 as defined in the Automobile Renting Occupation and Use Tax
17 Act.

18 (6) Personal property sold by a teacher-sponsored student
19 organization affiliated with an elementary or secondary school
20 located in Illinois.

21 (7) Until July 1, 2003, proceeds of that portion of the
22 selling price of a passenger car the sale of which is subject
23 to the Replacement Vehicle Tax.

24 (8) Personal property sold to an Illinois county fair
25 association for use in conducting, operating, or promoting the
26 county fair.

1 (9) Personal property sold to a not-for-profit arts or
2 cultural organization that establishes, by proof required by
3 the Department by rule, that it has received an exemption under
4 Section 501(c)(3) of the Internal Revenue Code and that is
5 organized and operated primarily for the presentation or
6 support of arts or cultural programming, activities, or
7 services. These organizations include, but are not limited to,
8 music and dramatic arts organizations such as symphony
9 orchestras and theatrical groups, arts and cultural service
10 organizations, local arts councils, visual arts organizations,
11 and media arts organizations. On and after the effective date
12 of this amendatory Act of the 92nd General Assembly, however,
13 an entity otherwise eligible for this exemption shall not make
14 tax-free purchases unless it has an active identification
15 number issued by the Department.

16 (10) Personal property sold by a corporation, society,
17 association, foundation, institution, or organization, other
18 than a limited liability company, that is organized and
19 operated as a not-for-profit service enterprise for the benefit
20 of persons 65 years of age or older if the personal property
21 was not purchased by the enterprise for the purpose of resale
22 by the enterprise.

23 (11) Personal property sold to a governmental body, to a
24 corporation, society, association, foundation, or institution
25 organized and operated exclusively for charitable, religious,
26 or educational purposes, or to a not-for-profit corporation,

1 society, association, foundation, institution, or organization
2 that has no compensated officers or employees and that is
3 organized and operated primarily for the recreation of persons
4 55 years of age or older. A limited liability company may
5 qualify for the exemption under this paragraph only if the
6 limited liability company is organized and operated
7 exclusively for educational purposes. On and after July 1,
8 1987, however, no entity otherwise eligible for this exemption
9 shall make tax-free purchases unless it has an active
10 identification number issued by the Department.

11 (12) Tangible personal property sold to interstate
12 carriers for hire for use as rolling stock moving in interstate
13 commerce or to lessors under leases of one year or longer
14 executed or in effect at the time of purchase by interstate
15 carriers for hire for use as rolling stock moving in interstate
16 commerce and equipment operated by a telecommunications
17 provider, licensed as a common carrier by the Federal
18 Communications Commission, which is permanently installed in
19 or affixed to aircraft moving in interstate commerce.

20 (12-5) On and after July 1, 2003 and through June 30, 2004,
21 motor vehicles of the second division with a gross vehicle
22 weight in excess of 8,000 pounds that are subject to the
23 commercial distribution fee imposed under Section 3-815.1 of
24 the Illinois Vehicle Code. Beginning on July 1, 2004 and
25 through June 30, 2005, the use in this State of motor vehicles
26 of the second division: (i) with a gross vehicle weight rating

1 in excess of 8,000 pounds; (ii) that are subject to the
2 commercial distribution fee imposed under Section 3-815.1 of
3 the Illinois Vehicle Code; and (iii) that are primarily used
4 for commercial purposes. Through June 30, 2005, this exemption
5 applies to repair and replacement parts added after the initial
6 purchase of such a motor vehicle if that motor vehicle is used
7 in a manner that would qualify for the rolling stock exemption
8 otherwise provided for in this Act. For purposes of this
9 paragraph, "used for commercial purposes" means the
10 transportation of persons or property in furtherance of any
11 commercial or industrial enterprise whether for-hire or not.

12 (13) Proceeds from sales to owners, lessors, or shippers of
13 tangible personal property that is utilized by interstate
14 carriers for hire for use as rolling stock moving in interstate
15 commerce and equipment operated by a telecommunications
16 provider, licensed as a common carrier by the Federal
17 Communications Commission, which is permanently installed in
18 or affixed to aircraft moving in interstate commerce.

19 (14) Machinery and equipment that will be used by the
20 purchaser, or a lessee of the purchaser, primarily in the
21 process of manufacturing or assembling tangible personal
22 property for wholesale or retail sale or lease, whether the
23 sale or lease is made directly by the manufacturer or by some
24 other person, whether the materials used in the process are
25 owned by the manufacturer or some other person, or whether the
26 sale or lease is made apart from or as an incident to the

1 seller's engaging in the service occupation of producing
2 machines, tools, dies, jigs, patterns, gauges, or other similar
3 items of no commercial value on special order for a particular
4 purchaser.

5 (15) Proceeds of mandatory service charges separately
6 stated on customers' bills for purchase and consumption of food
7 and beverages, to the extent that the proceeds of the service
8 charge are in fact turned over as tips or as a substitute for
9 tips to the employees who participate directly in preparing,
10 serving, hosting or cleaning up the food or beverage function
11 with respect to which the service charge is imposed.

12 (16) Petroleum products sold to a purchaser if the seller
13 is prohibited by federal law from charging tax to the
14 purchaser.

15 (17) Tangible personal property sold to a common carrier by
16 rail or motor that receives the physical possession of the
17 property in Illinois and that transports the property, or
18 shares with another common carrier in the transportation of the
19 property, out of Illinois on a standard uniform bill of lading
20 showing the seller of the property as the shipper or consignor
21 of the property to a destination outside Illinois, for use
22 outside Illinois.

23 (18) Legal tender, currency, medallions, or gold or silver
24 coinage issued by the State of Illinois, the government of the
25 United States of America, or the government of any foreign
26 country, and bullion.

1 (19) Until July 1 2003, oil field exploration, drilling,
2 and production equipment, including (i) rigs and parts of rigs,
3 rotary rigs, cable tool rigs, and workover rigs, (ii) pipe and
4 tubular goods, including casing and drill strings, (iii) pumps
5 and pump-jack units, (iv) storage tanks and flow lines, (v) any
6 individual replacement part for oil field exploration,
7 drilling, and production equipment, and (vi) machinery and
8 equipment purchased for lease; but excluding motor vehicles
9 required to be registered under the Illinois Vehicle Code.

10 (20) Photoprocessing machinery and equipment, including
11 repair and replacement parts, both new and used, including that
12 manufactured on special order, certified by the purchaser to be
13 used primarily for photoprocessing, and including
14 photoprocessing machinery and equipment purchased for lease.

15 (21) Until July 1, 2003, coal exploration, mining,
16 offhighway hauling, processing, maintenance, and reclamation
17 equipment, including replacement parts and equipment, and
18 including equipment purchased for lease, but excluding motor
19 vehicles required to be registered under the Illinois Vehicle
20 Code.

21 (22) Fuel and petroleum products sold to or used by an air
22 carrier, certified by the carrier to be used for consumption,
23 shipment, or storage in the conduct of its business as an air
24 common carrier, for a flight destined for or returning from a
25 location or locations outside the United States without regard
26 to previous or subsequent domestic stopovers.

1 (23) A transaction in which the purchase order is received
2 by a florist who is located outside Illinois, but who has a
3 florist located in Illinois deliver the property to the
4 purchaser or the purchaser's donee in Illinois.

5 (24) Fuel consumed or used in the operation of ships,
6 barges, or vessels that are used primarily in or for the
7 transportation of property or the conveyance of persons for
8 hire on rivers bordering on this State if the fuel is delivered
9 by the seller to the purchaser's barge, ship, or vessel while
10 it is afloat upon that bordering river.

11 (25) Except as provided in item (25-5) of this Section, a
12 motor vehicle sold in this State to a nonresident even though
13 the motor vehicle is delivered to the nonresident in this
14 State, if the motor vehicle is not to be titled in this State,
15 and if a drive-away permit is issued to the motor vehicle as
16 provided in Section 3-603 of the Illinois Vehicle Code or if
17 the nonresident purchaser has vehicle registration plates to
18 transfer to the motor vehicle upon returning to his or her home
19 state. The issuance of the drive-away permit or having the
20 out-of-state registration plates to be transferred is prima
21 facie evidence that the motor vehicle will not be titled in
22 this State.

23 (25-5) The exemption under item (25) does not apply if the
24 state in which the motor vehicle will be titled does not allow
25 a reciprocal exemption for a motor vehicle sold and delivered
26 in that state to an Illinois resident but titled in Illinois.

1 The tax collected under this Act on the sale of a motor vehicle
2 in this State to a resident of another state that does not
3 allow a reciprocal exemption shall be imposed at a rate equal
4 to the state's rate of tax on taxable property in the state in
5 which the purchaser is a resident, except that the tax shall
6 not exceed the tax that would otherwise be imposed under this
7 Act. At the time of the sale, the purchaser shall execute a
8 statement, signed under penalty of perjury, of his or her
9 intent to title the vehicle in the state in which the purchaser
10 is a resident within 30 days after the sale and of the fact of
11 the payment to the State of Illinois of tax in an amount
12 equivalent to the state's rate of tax on taxable property in
13 his or her state of residence and shall submit the statement to
14 the appropriate tax collection agency in his or her state of
15 residence. In addition, the retailer must retain a signed copy
16 of the statement in his or her records. Nothing in this item
17 shall be construed to require the removal of the vehicle from
18 this state following the filing of an intent to title the
19 vehicle in the purchaser's state of residence if the purchaser
20 titles the vehicle in his or her state of residence within 30
21 days after the date of sale. The tax collected under this Act
22 in accordance with this item (25-5) shall be proportionately
23 distributed as if the tax were collected at the 6.25% general
24 rate imposed under this Act.

25 (25-7) Beginning on July 1, 2007, no tax is imposed under
26 this Act on the sale of an aircraft, as defined in Section 3 of

1 the Illinois Aeronautics Act, if all of the following
2 conditions are met:

3 (1)the aircraft leaves this State within 15 days after
4 the later of either the issuance of the final billing for
5 the sale of the aircraft, or the authorized approval for
6 return to service, completion of the maintenance record
7 entry, and completion of the test flight and ground test
8 for inspection, as required by 14 C.F.R. 91.407;

9 (2)the aircraft is not based or registered in this
10 State after the sale of the aircraft; and

11 (3)the seller retains in his or her books and records
12 and provides to the Department a signed and dated
13 certification from the purchaser, on a form prescribed by
14 the Department, certifying that the requirements of this
15 item (25-7) are met. The certificate must also include the
16 name and address of the purchaser, the address of the
17 location where the aircraft is to be titled or registered,
18 the address of the primary physical location of the
19 aircraft, and other information that the Department may
20 reasonably require.

21 For purposes of this item (25-7):

22 "Based in this State" means hangared, stored, or otherwise
23 used, excluding post-sale customizations as defined in this
24 Section, for 10 or more days in each 12-month period
25 immediately following the date of the sale of the aircraft.

26 "Registered in this State" means an aircraft registered

1 with the Department of Transportation, Aeronautics Division,
2 or titled or registered with the Federal Aviation
3 Administration to an address located in this State.

4 This paragraph (25-7) is exempt from the provisions of
5 Section 2-70.

6 (26) Semen used for artificial insemination of livestock
7 for direct agricultural production.

8 (27) Horses, or interests in horses, registered with and
9 meeting the requirements of any of the Arabian Horse Club
10 Registry of America, Appaloosa Horse Club, American Quarter
11 Horse Association, United States Trotting Association, or
12 Jockey Club, as appropriate, used for purposes of breeding or
13 racing for prizes.

14 (28) Computers and communications equipment utilized for
15 any hospital purpose and equipment used in the diagnosis,
16 analysis, or treatment of hospital patients sold to a lessor
17 who leases the equipment, under a lease of one year or longer
18 executed or in effect at the time of the purchase, to a
19 hospital that has been issued an active tax exemption
20 identification number by the Department under Section 1g of
21 this Act.

22 (29) Personal property sold to a lessor who leases the
23 property, under a lease of one year or longer executed or in
24 effect at the time of the purchase, to a governmental body that
25 has been issued an active tax exemption identification number
26 by the Department under Section 1g of this Act.

1 (30) Beginning with taxable years ending on or after
2 December 31, 1995 and ending with taxable years ending on or
3 before December 31, 2004, personal property that is donated for
4 disaster relief to be used in a State or federally declared
5 disaster area in Illinois or bordering Illinois by a
6 manufacturer or retailer that is registered in this State to a
7 corporation, society, association, foundation, or institution
8 that has been issued a sales tax exemption identification
9 number by the Department that assists victims of the disaster
10 who reside within the declared disaster area.

11 (31) Beginning with taxable years ending on or after
12 December 31, 1995 and ending with taxable years ending on or
13 before December 31, 2004, personal property that is used in the
14 performance of infrastructure repairs in this State, including
15 but not limited to municipal roads and streets, access roads,
16 bridges, sidewalks, waste disposal systems, water and sewer
17 line extensions, water distribution and purification
18 facilities, storm water drainage and retention facilities, and
19 sewage treatment facilities, resulting from a State or
20 federally declared disaster in Illinois or bordering Illinois
21 when such repairs are initiated on facilities located in the
22 declared disaster area within 6 months after the disaster.

23 (32) Beginning July 1, 1999, game or game birds sold at a
24 "game breeding and hunting preserve area" or an "exotic game
25 hunting area" as those terms are used in the Wildlife Code or
26 at a hunting enclosure approved through rules adopted by the

1 Department of Natural Resources. This paragraph is exempt from
2 the provisions of Section 2-70.

3 (33) A motor vehicle, as that term is defined in Section
4 1-146 of the Illinois Vehicle Code, that is donated to a
5 corporation, limited liability company, society, association,
6 foundation, or institution that is determined by the Department
7 to be organized and operated exclusively for educational
8 purposes. For purposes of this exemption, "a corporation,
9 limited liability company, society, association, foundation,
10 or institution organized and operated exclusively for
11 educational purposes" means all tax-supported public schools,
12 private schools that offer systematic instruction in useful
13 branches of learning by methods common to public schools and
14 that compare favorably in their scope and intensity with the
15 course of study presented in tax-supported schools, and
16 vocational or technical schools or institutes organized and
17 operated exclusively to provide a course of study of not less
18 than 6 weeks duration and designed to prepare individuals to
19 follow a trade or to pursue a manual, technical, mechanical,
20 industrial, business, or commercial occupation.

21 (34) Beginning January 1, 2000, personal property,
22 including food, purchased through fundraising events for the
23 benefit of a public or private elementary or secondary school,
24 a group of those schools, or one or more school districts if
25 the events are sponsored by an entity recognized by the school
26 district that consists primarily of volunteers and includes

1 parents and teachers of the school children. This paragraph
2 does not apply to fundraising events (i) for the benefit of
3 private home instruction or (ii) for which the fundraising
4 entity purchases the personal property sold at the events from
5 another individual or entity that sold the property for the
6 purpose of resale by the fundraising entity and that profits
7 from the sale to the fundraising entity. This paragraph is
8 exempt from the provisions of Section 2-70.

9 (35) Beginning January 1, 2000 and through December 31,
10 2001, new or used automatic vending machines that prepare and
11 serve hot food and beverages, including coffee, soup, and other
12 items, and replacement parts for these machines. Beginning
13 January 1, 2002 and through June 30, 2003, machines and parts
14 for machines used in commercial, coin-operated amusement and
15 vending business if a use or occupation tax is paid on the
16 gross receipts derived from the use of the commercial,
17 coin-operated amusement and vending machines. This paragraph
18 is exempt from the provisions of Section 2-70.

19 (35-5) Beginning August 23, 2001 and through June 30, 2011,
20 food for human consumption that is to be consumed off the
21 premises where it is sold (other than alcoholic beverages, soft
22 drinks, and food that has been prepared for immediate
23 consumption) and prescription and nonprescription medicines,
24 drugs, medical appliances, and insulin, urine testing
25 materials, syringes, and needles used by diabetics, for human
26 use, when purchased for use by a person receiving medical

1 assistance under Article 5 of the Illinois Public Aid Code who
2 resides in a licensed long-term care facility, as defined in
3 the Nursing Home Care Act.

4 (36) Beginning August 2, 2001, computers and
5 communications equipment utilized for any hospital purpose and
6 equipment used in the diagnosis, analysis, or treatment of
7 hospital patients sold to a lessor who leases the equipment,
8 under a lease of one year or longer executed or in effect at
9 the time of the purchase, to a hospital that has been issued an
10 active tax exemption identification number by the Department
11 under Section 1g of this Act. This paragraph is exempt from the
12 provisions of Section 2-70.

13 (37) Beginning August 2, 2001, personal property sold to a
14 lessor who leases the property, under a lease of one year or
15 longer executed or in effect at the time of the purchase, to a
16 governmental body that has been issued an active tax exemption
17 identification number by the Department under Section 1g of
18 this Act. This paragraph is exempt from the provisions of
19 Section 2-70.

20 (38) Beginning on January 1, 2002 and through June 30,
21 2011, tangible personal property purchased from an Illinois
22 retailer by a taxpayer engaged in centralized purchasing
23 activities in Illinois who will, upon receipt of the property
24 in Illinois, temporarily store the property in Illinois (i) for
25 the purpose of subsequently transporting it outside this State
26 for use or consumption thereafter solely outside this State or

1 (ii) for the purpose of being processed, fabricated, or
2 manufactured into, attached to, or incorporated into other
3 tangible personal property to be transported outside this State
4 and thereafter used or consumed solely outside this State. The
5 Director of Revenue shall, pursuant to rules adopted in
6 accordance with the Illinois Administrative Procedure Act,
7 issue a permit to any taxpayer in good standing with the
8 Department who is eligible for the exemption under this
9 paragraph (38). The permit issued under this paragraph (38)
10 shall authorize the holder, to the extent and in the manner
11 specified in the rules adopted under this Act, to purchase
12 tangible personal property from a retailer exempt from the
13 taxes imposed by this Act. Taxpayers shall maintain all
14 necessary books and records to substantiate the use and
15 consumption of all such tangible personal property outside of
16 the State of Illinois.

17 (Source: P.A. 93-23, eff. 6-20-03; 93-24, eff. 6-20-03; 93-840,
18 eff. 7-30-04; 93-1033, eff. 9-3-04; 93-1068, eff. 1-15-05;
19 94-1002, eff. 7-3-06.)

20 Section 99. Effective date. This Act takes effect upon
21 becoming law."